

Remarks:

The claims presented here have been maintained in their original condition. Reconsideration and allowance of this application is respectfully solicited in light of the following comment.

It is elementary that a rejection under 35 USC 102 (b), in order to stand, must find all elements of a rejected claim within the four corners of the cited reference. That is simply not the case here.

The attention of the Examiner is drawn to the recitation, in this application of precisely what is transmitted to a terminal and the disclosure, in Levine U.S. Pat. 6,188,309, of what is transmitted to a terminal. In this application, it is the **PIN**; in Levine, the **card number**. These are different elements.

Referring to claim 1, the recitation is to : "enable transmission of the **authorization code** from the memory location to the chip card terminal". In the Levine passage helpfully cited by the Examiner on Page 2 of the Official Action (Col. 4, lines 23 et seq.) the teaching is: "At step 115, the user inputs a sequence of digits using number keys 46 on keypad 44. The processor 62 receives the sequence of numbers input by the user and compares the received sequence of numbers to the stored PIN. If there is a match between the received sequence and the stored PIN number the processor activates the credit card 30. In the credit card of Fig. 2A, the processor activates the credit card by applying a current to the magnetic strip 42 along wire 66. By applying a current to magnetic strip 42, the magnetic strip is activated to output **the credit card number** encoded thereon. " (Emphasis added in both instances.)

It is respectfully submitted that, as acknowledged by Levine, a PIN and an account number are different.

The identical distinction appears in claim 9, also rejected on Levine under 35 USC 102(b). The same argument applies.

The identical distinction appears in claim 16, also rejected on Levine under 35 USC 102(b). The same argument applies.

In rejecting claims 2 and 10, the Examiner equates a PIN and an account number. No support for this assertion is stated to be found in Levine (as indeed it cannot). It is respectfully submitted that this is an unwarranted assumption on the part of the Examiner which departs from the teaching of Levine. Such an assumption is improper in an anticipation rejection.

With regard to dependent claims 8, 14 and 15, the Examiner has made a rejection of obviousness under 35 USC 103. While it may not be relevant to respond to that rejection here in light of the argument above patentably distinguishing applicant's independent claims, it is within anticipation that the unwarranted assumption addressed immediately above may reappear as an obviousness rejection. Before the Examiner attempts that leap of assertion, it is relevant to provide a reminder of the requirements of a 35 USC 103 rejection.

The Graham v Deere test for obviousness under 35 USC 103 is the subject matter of Section 2141 et seq in the Manual of Patent Examining Procedure. To briefly restate, the three inquiries set forth by the Court, in order, are to determine the applicable prior art, then determine the differences between that art and the claimed invention, and then determine whether a person of ordinary skill in the applicable art would know to make the modification necessary to arrive at those differences in view of the prior art applied.

As has been stated by the Court of Appeals for the Federal Circuit in considering matters on appeal from the Board of Appeals within the Patent Office,

obviousness is a question of law (the Court citing Graham v Deere), but this determination occurs in the context of a factual inquiry regarding the scope and content of the prior art. This factual inquiry examines what a reference would have taught or suggested to one of ordinary skill in the art at the time the of the invention (the Court citing Northern Telecom v Datapoint Corp., 908 F.2d 931, 15 USPQ2d 1321). The Court has cautioned against focusing on the obviousness of the differences between the claimed invention and the prior art rather than the obviousness of the claimed invention as a whole as 35 USC 103 requires (citing Hybritech, Inc. v Monoclonal Antibodies, Inc., 802 F.2d 1367, 231 USPQ 81) and against the use of hindsight reconstruction of what is disclosed in a prior art reference (citing Grain Processing Corp. v American Maize Products Co., 840 F.2d 902, 5 USPQ2d 1788). The Court has quoted approvingly from its decision in In re Fritch, 972 F.2d 1260, 23 USPQ2d 1780, in which it said:

The mere fact that the prior art may [emphasis added] be modified in the manner suggested by the Examiner does not make the modification obvious unless the prior art suggested the desirability of the modification.

On the latter point, the CAFC has said that the Patent Office, in determining the obviousness of a claimed invention that combines known elements, must determine whether there is something in the prior art as a whole to suggest the desirability, and thus the obviousness, of making the combination (citing Lindemann Maschinenfabrik GmbH v American Hoist and Derrick Co., 730 F.2d 1452, 221 USPQ 481).


It is the burden of the Examiner to establish why one having ordinary skill in the art would have been led to the claimed invention by the reasonable teachings or suggestions found in the prior art, or by a reasonable inference to the artisan contained in such teachings or suggestions. See In re Sernacker, 702 F.2d 989, 995; 217 USPQ 1, 6 (Fed. Cir. 1983). The reviewing court for the Patent

Office requires proof by evidence in order to establish a *prima facie* case when the proposition at issue is not supported by a teaching in a prior art reference, common knowledge or capable of unquestionable demonstration. See In re Knapp-Monarch Co., 296 F.2d 230, 232; 132 USPQ 6, 8 (CCPA 1961) and In re Cofer , 354 F.2d 664, 668; 148 USPQ 268, 271-272 (CCPA 1966). See also Section 2143 et seq of the MPEP.

Here, the assumed equivalence of a PIN and an account number is not supported by a teaching in any prior art reference. Indeed, it is submitted that the prior art -- specifically including Levine -- teaches directly away from that equivalence. The two types of data are different, and serve different purposes. The PIN enables identification of the person (as the name implies) while the account number identifies to a financial institution or merchant the account to be charged.

For the reasons given, it is submitted that applicant's claims patentably distinguish the invention here disclosed and reconsideration and allowance are solicited.

Respectfully submitted,

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